

(Task 2396)

Bond Release Findings**Mine Name:** Tony M/Lucky Strike**I.D. No.:** M0170001**Operator:** U. S. Energy Corp**Mineral Ownership:** BLM877 North 800 West**Surface Ownership:** BLMRiverton, Wyoming 82501**Permit Term:** Originally permitted in 1979**Disturbed Area:** 10.34 acres**Acres Proposed for Release:** 10.34 acres**Regraded:** 10.34 acres**Acres Recommended for Release:** 7.55 acres**Reseeded:** 10.34 acres**Acres Remaining:** 2.79 acres**Acres Bonded:** 10.34 acres**Surety****Amount:** \$21,300.00**Form:** CD**Amount Proposed for Release:** \$21,300.00**Amount Recommended for Release:** \$15,300.00**Amount Remaining:** \$6000.00**Setting and Premining Environment**

The mine is in Shootamaring Canyon near the town of Ticaboo in Garfield county. The areas still permitted to U. S. Energy are all in the bottom of the canyon near the ephemeral drainage. This is a steep canyon which, at this point, is up to a few hundred feet wide. There are numerous mines in the area of which Tony M is the largest.

Operations

The original Notice of Intention was submitted in 1977, and the mine was last active in 1984. The Tony M and Lucky Strike Mines are underground mines from which uranium and possibly vanadium were extracted.

Some reclamation was performed in 1996, but the majority of the grading and seeding were completed in 2003-2004. Most of the site was re-disturbed by a new mine operated by Denison Mines, but the ore stockpiles were excluded from Denison's permit. U. S. Energy has been released from reclamation responsibility for the entire mine except the ore stockpiles.

The Division is now approving removal of three of the four stockpiles under Denison's Notice of Intention to Commence Large Mining Operations and a separate Notice of Intention to Commence Small Mining Operations submitted by Jim Butt. Denison will be removing the two northernmost stockpiles which are on Trust Lands, and Mr. Butt's approval allows him to remove the southernmost stockpile. Mr. Butt intends to remove the other stockpile on BLM land, but that will need to be done as part of an amendment to his NOI at some future date.

Hole Plugging

The disturbed areas do not include any drill holes.

Reclamation

All four stockpiles have been graded and seeded, but when vegetation cover was last measured, there was not enough cover to meet release criteria. Three of the four stockpiles have been permitted and bonded by other entities, and I am recommending that U. S. Energy be released from further reclamation responsibility for these three stockpiles. The fourth would continue to be bonded by U. S. Energy.

Mine Engineering

There are no public safety issues or steep slopes.

Hydrology

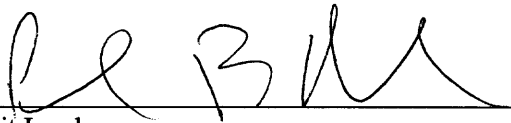
The stockpiles are near the ephemeral drainage, and removing these stockpiles will reduce the chances of radioactive materials getting into runoff water. As they currently exist, the stockpiles are rough enough and the slopes are gentle enough that there are no erosion problems.

Revegetation

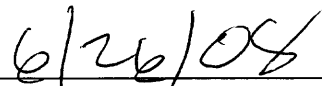
The stockpiles probably do not meet revegetation criteria, but the operator is applying for release on the basis that other entities will be accepting responsibility for the areas.

Recommendation

I recommend that the Division release all but \$6000.00 of the reclamation surety. This would be for reclamation of the one stockpile that will remain U. S. Energy's responsibility. I anticipate that, as soon as Jim Butt has finished removing one of the stockpiles, he will amend his mine plan to allow for the other stockpile to be removed. At that point, the Division can release the rest of U. S. Energy's surety and their remaining liability for the mine site.



Permit Lead



Date